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RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 4048  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1434  
RUEHCI/AMCONSUL KOLKATA PRIORITY 3463  
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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 000974

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TAGS: [PGOV](#) [PREF](#) [PREL](#) [PTER](#) [PHUM](#) [MARR](#) [UN](#) [NP](#)

SUBJECT: NEPAL'S HOME MINISTER ACKNOWLEDGES PROBLEMS, BUT  
OFFERS NO SOLUTIONS

Classified By: Ambassador James F. Moriarty for reasons 1.4(b/d).

Summary

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11. (C) Home Minister Krishna Prasad Sitaula suggested to the Ambassador May 15 that the security situation had improved. Nepal Police had taken action against the Maoist Young Communist League (YCL) in three districts, but police were ill-equipped to effectively implement law and order. The Ambassador stressed the need for the Government of Nepal (GON) to hold the YCL accountable for ongoing abuses, including harassment of foreign diplomats. Sitaula claimed that verification of Maoist combatants would proceed smoothly once Maoists had returned property to political party workers and had received money for cantonment maintenance. Sitaula criticized the United Nations for failing to move forward with verification. On Constituent Assembly elections, Sitaula believed November was a likely timeframe. The Ambassador thanked Sitaula for GON cooperation on Bhutanese refugees and requested that the Home Ministry expedite the departure of 32 urban refugees approved for U.S. resettlement.

Improved Security Situation?  
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12. (C) Home Minister Krishna Prasad Sitaula told the Ambassador May 15 that he believed the security situation in Nepal had improved compared with some months ago. (Comment: Post does not agree with Sitaula and expects his opinion derives from the personal attacks he faced from Madhesi groups during the January - April period of unrest and violence in the Terai. End Comment.) Sitaula commented that the Nepal Police had arrested Young Communist League (YCL) cadre in three districts (Bara, Bardiya and Banke), where local administration was strong. He had also sent Home Ministry staff to Dang and Bardiya districts to ensure that local Maoist commanders returned property to political party workers.

Building Capacity Of Nepal Police  
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13. (C) Home Secretary Mainali, who was present at the meeting and provided Nepali translation for the Minister, opined that

the "current transition was painful" and admitted that the Nepal Police were ill-equipped to impose law and order. The Ambassador suggested that the U.S. might be in a position to assist the Nepal Police in the coming months. Mainali noted that the police needed riot control equipment. With only 20 percent of police officers carrying .303 rifles (an antique single-shot, single-loading rifle developed by the British in 1887) and the rest unarmed, police were compelled to resort quickly on firing live ammunition to control crowds, he added.

#### Harassment Of Foreign Diplomats

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14. (C) On behalf of the diplomatic community, the Ambassador, who is also Dean of the Diplomatic Corps, requested the Home Minister prevent the YCL from harassing foreign diplomats. In addition to the YCL's physical assault of a German diplomat in mid-April, YCL cadre had stopped the Australian and Japanese Ambassadors from conducting official business during a Maoist transport workers' strike on April 28. This behavior was unacceptable, the Ambassador said.

#### Return Of Property And Money For Cantonments

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15. (C) The Ambassador asked Sitaula how talks with the Maoists were proceeding regarding the second phase of verification of Maoist combatants. Sitaula replied that once the Maoists returned property to political party workers all the other remaining issues, such as verification of Maoist combatants and money for the cantonment sites, would proceed

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smoothly. (Note: To date, the Maoists have failed to fulfill a series of written agreements with the other parties to return property; the Maoists now appear to be insisting they will not return property unless the combatants in the cantonments are provided monthly compensation. End Note.) The Ambassador questioned where the Maoists had spent NRs 1.1 billion (equivalent to USD 17 million, or roughly USD 560 per combatant) and how the GON could justify providing "pocket money" for combatants before the second phase of verification, which might weed out roughly 2/3 of the so-called combatants. Secretary Mainali claimed that the Maoists had only received NRs 420 million (roughly USD 6.5 million), which they had used primarily to buy food. The Maoists currently needed NRs 60 per day per combatant to provide sufficient food in the cantonments (equal to roughly USD 830,000 per month), Mainali added.

#### Delay In Combatant Verification

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16. (C) Sitaula complained that verification was being delayed. "This is a big problem. The UN is a big problem," he added. Mainali noted that the GON was ready to begin verification, but not the UN. (Comment: Neither Sitaula nor Mainali commented on continued Maoist opposition to combatant verification or the fact that Maoists are also part of the GON. End Comment.) The Minister implied that the UN needed to insist on initiating the second phase of verification immediately. The Ambassador agreed that the U.S. had a direct interest in the UN Mission in Nepal (UNMIN) fulfilling its mandate. Ian Martin had traveled to New York at the beginning of May to discuss this delay with the UN Security Council, he added, and had strongly criticized Maoist unwillingness to begin the second phase of verification.

#### Elections In November

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17. (C) Sitaula and Mainali both indicated that Constituent Assembly (CA) elections in November were likely. But Sitaula also noted that the necessary electoral laws remained incomplete, making it difficult to proceed with election

preparations. The Ambassador hoped that the GON would announce CA election dates soon in order to allow time to formulate a plan, set milestones, and systematically prepare for elections.

Refugees: Bhutanese and Urban  
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18. (SBU) The Ambassador thanked Sitaula for GON cooperation in conducting the census of Bhutanese refugees as well as moving forward with third-country resettlement. The Ambassador also requested Sitaula to expedite exit permission for 32 urban refugees that the U.S. had approved for resettlement. Mainali reiterated the GON's dissatisfaction with UNHCR procedures in designating urban refugees, whom Mainali referred to as "illegal immigrants." RefCoord pointed out that Nepal was a signatory to the Convention on Torture, which upholds the principle of non-refoulement and, on that basis, requires member states to provide protection to refugees recognized by UNHCR. On that basis, RefCoord requested the GON to not consider refugees as illegal immigrants, who were subject to arrest, detention, and fines.

The Ambassador asked the Home Minister to waive the visa overstay fees for those accepted for U.S. resettlement. Mainali replied that that could be done only with a Cabinet-level decision after consultation with the Ministry of Finance, but allowed that the Ministry was willing to seek such a waiver. RefCoord agreed to provide Mainali with a letter detailing a request for a waiver.

Comment  
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19. (C) Home Minister Sitaula appeared somewhat sheepish when he asserted that the security situation had improved. There

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has clearly been an increase in security incidents involving the YCL. Nepal Police action against a handful of YCL cadre in three districts can hardly be considered much progress. We worry that, under Sitaula's leadership, the Home Ministry will continue to fail to empower the police to enforce law and order. We are also concerned that the main political parties are too focused on the return of property to political party workers and not applying sufficient pressure on the Maoists to begin the second phase of combatant verification. Sitaula's claim that the UN is holding up the second phase of verification does not strike us as credible. He should place the blame squarely where it belongs: on the Maoists.

MORIARTY